GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1439
ANSWERED ON:30.11.2006
INVESTMENT IN OVERSEAS PROJECTS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

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(a) whether the Government has made huge investments in oil and natural gas sector in overseas projects;

(b) if so, the details thereof and the quantity of oil and gas explored during the last three years, country-wise;

(c) whether any projection has been made for current decade;

(d) if so, the details thereof; and

(e) the steps taken by the Government to explore more quantity of oil and gas within the country and from abroad?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) & (b) : To enhance the country`s energy security, in keeping with the objectives of the Energy Section of the National Common Minimum Programme, ONGC Videsh Limited (OVL), the wholly owned subsidiary of Oil and Natural Gas Corporation Limited (ONGC) engaged in Exploration and Production (E&P) activities abroad, as well as other national oil companies such as Oil India Limited (OIL), Indian Oil Corporation Limited (IOC), Gail India Limited (GAIL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have acquired participating interests in oil and gas projects abroad. The details are given in the Annexure-I.

Out of the projects indicated in the Annexure. only OVL`s Greater Nile Oil Project (GNOP) in Sudan, Sakhalin-I Project in Russia, Vietnam Project (Block 06.1) and Block 24 in Syria in all of which OVL have participating interest, have started oil/gas production, The other assets are at various stages of exploration. The quantity of oil and gas produced from the above four projects of OVL are indicated in the Annexure-II.

(c)&(d) : OVL aims to achieve an oil and gas production level of 10 million metric tonne (MMT) of oil plus oil equivalent of gas (O+OEG) by the year 2010. Regarding other companies, the overseas E&P projects in which they are participating, are in exploration stage and hence the potential for oil and gas reserves/production can be assessed only after discoveries are made.

(e) : Various measures are being taken to substantially accelerate the exploratory activities for enhancing domestic oil and gas production. These measures include the following:-

(i) increasing exploration efforts through the New Exploration Licensing Policy (NELP); Under NELP, 110 exploration blocks have been awarded to National Oil Companies, foreign companies and private/joint venture companies through International Competitive Bidding process. This includes 20 Exploration Blocks recently awarded in the fifth round of NELP. Another 55 blocks have now been offered under NELP-VI.

(ii) improving the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (TOR) schemes-in particular, ONGC have taken up 15 fields for this purpose at an estimated investment of Rs. 10,972 crore, which would also help in accelerating oil production from these fields;

(iii) exploring new areas, especially in deep waters and difficult frontier areas, as also the deeper layers of already producing fields; and

(iv) developing newly discovered fields speedily and stepping up the use of new technologies for seismic surveys, work over, stimulation operations, drilling of wells etc. in producing areas.

(v) 26 contracts including 10 contracts under the recent third round have been signed so far for exploration of Coal Bed Methane(CBM).

(vi) Acquisition of overseas oil and gas reserves through equity or participating interest.